

SOUTHWEST FISHERIES SCIENCE CENTER
SECOND QUARTER REPORT-FY 2003
For the Period January 1 - March 31, 2003

Submitted By: John Hunter, Director, Fisheries Resources Division

Title of Accomplishment or Milestone: Regulatory Impact Review (RIR) and Regulatory Flexibility Analysis (RFA) of proposed regulations contained in the West Coast HMS Fisheries, Fishery Management Plan (FMP).

Current Status: Quantitative RIR (cost-benefit analysis) and RFA (financial analysis) analyses have been completed to evaluate the impacts on net national benefits and private profitability of proposed actions for the HMS drift gillnet fishery and the West Coast-based pelagic longline fishery conducted outside the west coast Exclusive Economic Zone (EEZ).

Background Information: The proposed action for the Drift Gill Net (DGN) fishery is to implement time-area closures to comply with the Biological Opinion for sea turtles in accordance with the Endangered Species Act (ESA). The proposed action for the West Coast-based pelagic longline fishery outside the EEZ would implement selected conservation and management measures from those now applied to Hawaii-based longline vessels to control sea turtle and seabird interactions and to monitor the fishery. The impacts of the proposed actions on net national benefits and private profitability were evaluated relative to the status quo or no action alternative.

Purpose of Activity: To satisfy requirements of the Magnuson-Stevens Act, that the HMS FMP conduct: 1) a RIR (cost-benefit analysis) to evaluate the economic welfare effects of each proposed management action; and, 2) a RFA to evaluate the financial impacts of each proposed management action on "small entities".

Description of Accomplishment and Significant Results: The RIR and RFA analyses found that relative to the status quo, the proposed action for the drift gillnet fishery reduces the discounted value of the producer surplus available to the nation, and financial profits available to the drift gillnet fishing fleet. The reduced producer surplus is the economic cost to the nation of undertaking the proposed action. The benefits from the proposed action are immaterial, since the time-area closures therein must be implemented under the ESA. The RIR and RFA analyses of the proposed action for the West Coast-based pelagic longline fishery operating outside the EEZ indicated that the discounted values of producer surplus and financial profits under the proposed action are likely to be substantial relative to the status quo, where regulations promulgated under other authorities are expected to eliminate this fishery.

Significance of Accomplishment: The proposed action for the drift gillnet fishery would result in a substantial loss in short-run and long-run producer surplus and private-financial profits. The rationale for the time-area closures is that the benefits associated with protecting sea turtles and seabirds are at least as great as these losses. However, these benefits may be transitory in that foreign fleets are not subject to the same or more stringent protective measures. The proposed action for the West Coast-based pelagic longline fishery operating outside the EEZ would allow

continuation of the fishery, and the benefits there from, under selected measures that enhance sea turtle protection.

Problems: None

Key Contact: Sam Herrick (858-546-7111).